



RBA:
CITY OF AUSTIN
RECOMMENDATION FOR BOARD ACTION

AGENDA ITEM NO: 4
AGENDA DATE: 8/9/07
PAGE: 1 OF 2

SUBJECT: Approve the negotiation and execution of a loan in an amount not to exceed \$110,000 to NEIGHBORHOOD HOUSING SERVICES OF AUSTIN INC. in compliance with applicable federal regulations including Title 24 Code of Federal Regulations, Section 85.40 performance goals, under the Rental Housing Development Assistance Program to assist in the development of two single-family affordable rental housing units in the St. John's Neighborhood at 7314-A and 7314-B Meador Avenue.

AMOUNT & SOURCE OF FUNDING:

\$110,000 is available in the Fiscal Year 2006-07 Austin Housing Finance Corporation Budget allocation under the Rental Housing Development Assistance Program. Loan proceeds are anticipated to consist of HOME Investment Partnership Act funds or City of Austin Housing Trust Funds.

FISCAL NOTE: There is no unanticipated fiscal impact. A fiscal note is not required

REQUESTING

DEPARTMENT: Austin Housing Finance Corporation

DIRECTOR'S

AUTHORIZATION: _____

FOR MORE INFORMATION CONTACT: Paul Hilgers, Executive Director, Austin Housing Finance Corporation, 974-3108

PRIOR BOARD ACTION:

PRIOR COUNCIL ACTION:

Following Board approval, a Rental Housing Development Assistance (RHDA) Program loan will be negotiated and executed with NEIGHBORHOOD HOUSING SERVICES OF AUSTIN (NHSA) in an amount not to exceed \$110,000 to assist in the development of two single-family affordable rental housing units in the St. John's Neighborhood at 7314 Meador Avenue. The RHDA Program will provide a loan at an interest rate of 0% interest for a term of 20 years with repayment deferred annually and the remaining balance cleared if throughout the 20 year loan period all requirements are met.

As proposed, a four-bedroom/two-bath single-family home will be newly constructed at 7314 A Meador Avenue, and an existing two bedroom/one bath unit will be rehabilitated at 7314-B Meador Avenue. Both units will be provided as affordable rental housing to families with yearly household incomes not to exceed 60% of the Austin area's median family income (MFI) (currently \$42,650 for a family of four). Anticipated monthly rents will be approximately \$985 for the four-bedroom unit and \$735 for the two-bedroom unit. Rents

plus tenant paid utilities will not exceed 30% of a household's monthly income and families with Section 8 rent subsidies will be accepted. One unit will be made accessible for persons with mobility disabilities and one unit will be accessible for persons with hearing and vision disabilities.

The project is proposed under the RHDA Program that provides federal and non-federal assistance as gap financing for the development of affordable rental housing for low- and moderate-income families and persons with special needs. The project is subject to S.M.A.R.T. Housing™ standards and applicable local and federal environmental review and fund release requirements.

Estimated sources and uses of funds are indicated as follows:

<u>Sources:</u>		<u>Uses:</u>	
RHDA	\$ 110,000	Pre-development	\$ 6,450
AHFC deferred loan	31,250	Land	31,250
Private financing	97,689	Construction	186,332
Owner equity	<u>6,300</u>	Soft costs	<u>21,207</u>
Total	\$ 245,239	Total	\$ 245,239

Performance measures associated with the project are as follows:

1. Develop two single-family units as affordable rental housing for families with yearly household incomes not to exceed 60% of Austin area's MFI.
2. Ensure that one unit is made accessible for persons with mobility disabilities, and one unit accessible for persons with hearing and vision disabilities.

NHSA is a non-profit 501(c)(3) organization certified by the City of Austin as a Community Housing Development Organization. NHSA was established in 1992 to provide affordable housing and services to low- and moderate-income families residing in the St. John's Neighborhood. Since 2002, NHSA has developed 18 units of affordable single-family housing in St. John's.

The requested funding is available in the Fiscal Year 2006-2007 budget allocation of the Austin Housing Finance Corporation (AHFC), and the request is consistent with the City of Austin's currently approved Consolidated Plan and the AHFC's strategy to provide assistance through below market rate financing for the development of affordable rental housing for low- and moderate-income households and persons with special needs.